WHAT IS AN ANGEL INVESTOR?

The term angel investor originally comes from Broadway, where it was used when describing the people that provide financing for theatrical productions.

Angel investors invest their own money, where the typical amount raised ranges from $150,000 to $2,000,000. Since angel investors are very often individuals that have held executive positions at large corporations, they can often provide fantastic advice and introductions to the entrepreneur, in addition to funds. A Harvard Report provided information on how angel funded start-ups had a higher chance of survival. Angel investments are high-risk, which is why this strategy normally doesn't represent over 10% of the investment portfolio of any given individual. What angel investors look for is a great team with a good market that could potentially return 10 times their initial investment in a period of 5 years. The exits, or liquidity events, are for the most part via an initial public offering or an acquisition.

According to the Halo Report angel investors particularly like start-ups operating in the following industries: internet (37.4%), healthcare(23.5%), mobile & telecom (10.4%), energy & utilities (4.3%), electronics (4.3%), consumer products & Svcs (3.5%), and other industries (16.5%).

-Taken from *Forbes*, March 12, 2013

OTHER SOURCES OF INFORMATION

Angel Resource Institute

Angel Capital Association (membership organization)